Influence of Digital Marketing Platforms on the business performance of Small Enterprises in Andhra Pradesh and Telangana

Synopsis of the Research Proposal
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by

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Introduction

One of business's most important components is marketing because it aids in capturing consumer's attention. The two types of marketing exists namely digital marketing and traditional marketing. Digital marketing is more a contemporary form of marketing than traditional marketing, which is more a traditional form. While digital marketing has only recently entered the picture, traditional marketing has been developing for millennia. Because of trends and new technologies, digital marketing techniques change frequently. Promotion of goods and services through the use of internet and other online based digital technologies including desktop computers, mobile phones, and other digital media and platforms is referred to as digital marketing.

The evolution of this technology over the 90s and 2000s brought to a shift in the manner in which companies and brands employ technology for marketing. Digital marketing campaigns have become more common as the use of digital platforms has become more widespread in marketing strategies as well as in day-to-day life, and as a rising number of consumers prefer to shop online rather than at traditional establishments.

The explosion of technology and digital media has had an impact on every facet of society, and this has been reflected in the field of digital marketing. The question then becomes whether or not the benefits of digital marketing are exaggerated. Traditional forms of marketing might be difficult to implement due to their high costs, limited reach, and short time horizons. Online advertising has many advantages over traditional methods, including cheaper costs and a higher return on investment (ROI), a higher conversion rate (CR), and the potential to establish a brand by targeting the proper audience with pinpoint accuracy. Google's normal ROAS is between 100% and 200%, while offline marketing returns are more elusive to quantify. The conversion rate for a Google Ad campaign is three to four percent on the search network, whereas the conversion rate for a TV ad campaign is between half a percent and one percent. This demonstrates the striking contrast between the influence that a traditional marketing effort has on the success of a firm and the impact that an online marketing campaign has.

Through digital marketing, a small business can have access to a far larger clientele than would otherwise be possible with their resources. It also helps keep potential clients updated about new things that are coming out, which keeps them engaged in what the company has to offer. For the best results when marketing their goods and services, small businesses should take advantage of digital marketing channels such as email marketing, pay-per-click (PPC) advertising, content marketing, search engine optimization (SEO), social media marketing (SMM), advertising on Facebook, affiliate marketing, and any other web-based advertisements.

Is Digital Marketing important for small businesses in India?

The goal of every owner of a small business should be to maintain a steady lead funnel that ultimately results in sales. This fantasy can become a reality with a carefully crafted strategy for digital marketing. Small and medium-sized businesses in India are experiencing meteoric growth because to the rapid development of digital technologies.

It is estimated that there are currently 75 million small and medium-sized businesses in India, but that figure is expected to expand to 105 million in the next five years." Also "According to RetailDive, 87% of shoppers now begin product searches online" (*https://marketingbeku.com/digital-marketing-for-small-businesses/)*.

Enterprises have a better chance of connecting with prospective clients by utilising digital marketing in light of the recent climb in the number of new businesses and the accompanying rise in the percentage of people who use the internet.

Following are a few of the most significant benefits that small businesses can reap by engaging in digital marketing.

- Through digital marketing, local businesses may reach a wider audience, promote their wares, extend discounts to interested customers, and ultimately close a transaction.

- By providing them with the tools to reach the most valuable and receptive audiences, digital marketing helps small businesses rise above the competition.

- The use of digital marketing techniques can help even the smallest businesses attract a steady stream of qualified visitors who are more likely to become paying customers.

Relevance of the Topic

Recent advances in digital technology have huge repercussions for marketing strategies employed by locally owned and operated companies. In recent years, the ever-expanding field of digital marketing has presented small firms with a vast array of opportunities as well as obstacles. Digital marketing is generally well received in the business world, but the degree to which it is implemented differs greatly among different types of companies.

By taking use of the opportunities offered by digital marketing, the small business has the potential to gain a competitive advantage. They can also capitalise on the innate strengths they already possess. The digital world offers the benefit of speed and flexibility, and small businesses, due to their size, are able to be more sensitive and adaptive to changing situations than huge organisations are.

When it comes to the economy of any country, developed or developing, the role that small and medium-sized businesses play is of the utmost importance. The presence of small and medium firms may be seen in a variety of different aspects of the Indian economy. It contributes one sixth of India's overall gross domestic product.

As consumers' use of digital media continues to rise, a growing number of businesses are turning to digital marketing as a means of communicating with their respective target audiences. With the assistance of innovative technologies like digital media, the primary goal of a firm that operates on a modest scale should be to generate major benefits for the consumers that patronise the business.

Review of Literature

This section is primarily concerned with doing a study of the literature pertaining to digital marketing in order to investigate the research gaps that currently exist and the research perspectives that are connected to digital marketing. The current investigation focuses on an emerging area of inquiry, specifically digital marketing and the effect that digital marketing has had on the business world. The influence of digital marketing has a vital and substantial function to play for the organization's company. In order to accomplish or accomplish the goals of the study, the following relevant material is discussed and reviewed.

Awolusi (2012) conducted research to investigate the effects that social networking sites have on productivity in the workplace. This research investigates whether or not social networking sites have an impact on organisational functions like as training, recruiting, communication, and brand management, amongst others. According to the findings of this research, the use of social networking sites can have a significant impact on workplace productivity in terms of geographic collaboration, communication, and efficient marketing and promotion of goods and services.

In their study article titled "Elements Influencing Online Purchasing: An Empirical Study in Ahmedabad," Bhatt and Bhatt (2012) discuss the factors that influence the attitudes that customers have regarding online shopping. According to the findings of the study, the ease of use and attractiveness of websites, the quality of the services provided by websites, and the safety of websites are the three major factors that have prominently emerged from the study. The research presented here demonstrates without a reasonable doubt that these aspects have a bearing on the kinds of consumers known variously as occasional, frequent, and regular consumers. According to the findings of the study, the frequent purchasers are most influenced by the ease/attractivity of the website as well as the quality of the service, whereas the occasional consumers place a greater emphasis on the security of the website.

Chugh (2011) shed some insight on the question of whether social networking is beneficial or detrimental to corporate enterprises. He has talked on the benefits and drawbacks of using social networking for businesses and business groups. He has mentioned that he believes social networking sites to be an honourable technique to expand a business across the globe. In addition to that, he shed some insight on the significance of the internet.

In their 2013 study, Constantinides, Lorenzo, and Alarcón-del-Amo shed light on the use of social networking sites as a tool for businesses. They have emphasised the fact that social networking sites and web applications have enabled users develop both personal and professional relationships around the globe. They came to the conclusion that business organisations have a significant amount of interest in social networking sites due to the fact that these sites aid increase relations while also contributing to the development of various marketing and promotional tactics.

Smits and Mogos (2013) conducted research to investigate the effect that social media has on the performance of businesses. They have discussed the fact that social media and social networking sites are becoming more popular and are increasingly being employed in the operations of various commercial organisations. These are quickly evolving into an indispensable instrument for the marketing and promotional activities carried out by various company organisations. They came to the conclusion that corporate organisations now have greater capabilities and scope thanks to the expansion of social networking platforms.

Stone and Woodcock (2013) investigated the role that the most recent technologies play in digital marketing, and how such technologies make it more interactive and responsive to the needs of customers. They discussed how firms can benefit from utilising business analytics and customer insight while engaging in interactive or digital marketing. They came to the conclusion that organisations are able to more effectively carry out the procedures of interactive or digital marketing thanks to the advanced support provided by Business Intelligence.

Khan and Siddiqui (2013) conducted an exploratory study in Pakistan with the intention of analysing the significance of digital marketing. They conducted an analysis of the many factors and aspects of digital marketing in order to gain a clear image of the effects and efficiency of digital marketing. They came to the conclusion that the most recent digital marketing tools are replacing the more traditional techniques of digital marketing. Despite this, digital marketing is still a novel notion in Pakistan, although people are becoming accustomed to it.

Wind and Mahajan (2002) talked about the digital revolution, which has completely altered the landscape of business by providing a variety of advantages to both consumers and businesses. They noted that customers now relate to products and marketplaces differently as a result of the changes brought about by digital technology. Consumers are increasingly shifting their shopping habits online. They came to the conclusion that as a result of the ongoing digital revolution, firms are placing a greater emphasis on digital technology in order to remain viable in the existing market.

According to Verma and Munjal (2003), the most important aspects to consider when deciding which brand to purchase are the product's overall quality, its cost, its degree of accessibility, its presentation, and its level of marketing. The cognitive and behavioural patterns of a customer are what determine whether or not she is loyal to a particular brand. Even though a customer's age influences their behavioural and cognitive patterns, there is very little opportunity for other demographic parameters such as gender and marital status. This is because age is the most influential demographic component.

Carlen and Lindkuist (2013) looked at the utilisation and fusion of several digital media outlets. They made an effort to comprehend the benefits and drawbacks of web marketing techniques. Through the use of netnography, the study was conducted at three companies, allowing for the observation of their online behaviour. A semi-automatic process was used to analyse the data. They discovered that three strategies—diversified content strategy, interactive channel strategy, and multichannel standard content strategy—were frequently employed.

By addressing the constraints of prior literature review and examining 120 SME e-business journal papers published between 2003 and 2006 in 53 publications, Craig and Castleman (2007) conducted a study of SME e-business research. They found that the prior research had a number of flaws, including a propensity to approach very diverse, complicated entities like SMEs and e-business applications the same way.

To better comprehend the adoption of ICTs around the world, David.M.Weber and Kauffman (2011) reviewed the scholarly literature. They examined the societal and economic aspects that influence the adoption of ICT globally as well as the effects on people, organisations, industries, and economies.

According to El Nawawy and Ismail M.A.'s (1999) study on the adoption of e-commerce by SMEs in Egypt, the primary influencing elements include market size, infrastructure for e-commerce and telecommunications, legal systems, political difficulties, affordability/cost structures, and social psychological factors.

In India, the adoption of E-commerce was explored by Kuthiala, S. K. (2003) along with its benefits. He carried out an exploratory investigation using a variety of secondary data. According to the study, the Indian government should create an environment that is favourable for online transactions by safeguarding online communications and bolstering legal frameworks.

Levenburg et al. (2005) conducted research on the adoption, implementation, and use of internet technology by small businesses. They sought to ascertain the level of adoption of E-business tools among SMEs and the industry benchmarks for E-business applications. For the study, 395 businesses were chosen at random. The study used the t test, Anova, and Manova. They discovered that the use of E-business apps varied by the size of the enterprise.

Malhotra and Singh (2007) looked into the elements influencing internet banking uptake in Indian banks. Financial years from 1997-1998 to 2004-2005 were chosen as the base for the analysis. During this time, the researchers chose 88 banks. The study, according to the researchers, was noteworthy because the majority of investigations were carried out in industrialised nations like the United States and Europe. Studies on the adoption of technology in underdeveloped nations were few, therefore their research helped to advance the literature.

According to Mehrtens Jenni et. al., (2001), SME's utilised the internet for many reasons. They adopted a case study strategy. Four information technology companies participated in the study, and the findings were used to develop a prototype model. The study found that perceived benefits, organisational readiness, and external pressure all significantly influence small businesses' use of the internet.

Molla and Licker (2005) investigated the elements that influence the uptake of e-commerce in developing nations. They put out a study model that takes into account innovational managerial, organisational, and environmental factors as determinants of E commerce adoption and institutionalisation. Based on survey data from 150 businesses in South Africa, it is discovered that POER commitment and governance characteristics and peer factors account for a greater proportion of the first adoption of e-commerce than do other factors.

Problem Statement (Research Gap)

It is clear from the literature review that there is an ever-expanding body of work focusing primarily on developed countries' adoption of ecommerce, online marketing, internet marketing, and social media marketing. While these studies did help researchers gain a better grasp of how to use technology in marketing, there are still some knowledge gaps. First, in the context of micro, small, and medium businesses in Andhra Pradesh and Telangana, there has been no previous in-depth research into the adoption of digital marketing and its effect on firm performance. As a result, the study's premise is that looking into what drives small enterprises to adopt digital marketing strategies and how that impacts their business is crucial. Second, the hypotheses and frameworks are empirically evaluated in developed nations, which have distinct economic and regulatory environments. Because of this, it is essential to investigate whether theories of adoption and empirical findings can be generalised to a variety of economic circumstances. In view of the above, to draw a conclusion, this study is an earnest attempt to close the gaps that were found in the literature.

Need for the Study

Given the rapid pace at which technology is advancing across industries, digital marketing has emerged as a crucial component for businesses of all stripes. Any business that wants to stay ahead of the competition in its industry should prioritise market research. The current research, titled "Influence of Digital Marketing Platforms on small enterprises in AP and Telangana," seeks to clarify how digital marketing and its subset, digital advertising, have impacted small businesses and how their clients perceive these strategies. By adhering to the conclusions of this study, small enterprises will have a thorough awareness of the many roles digital marketing plays, the positive and negative consequences it has, and what customers think of this rapidly developing technological advance in the world of marketing. Customers' feedback is essential to the development of any business. There is a dearth of prior study on this problem, and even fewer specialised articles available in this field, making this work particularly important with reference to Andhra Pradesh and Telangana States. The study's results and conclusions will be useful for companies already employing or considering future usage of digital marketing in terms of its function, breadth, and impact.

Objectives

1. To determine what aspects of digital marketing are most attractive to small businesses in the states of Andhra Pradesh and Telangana.
2. To study the perspectives of small enterprises about the implementation of digital marketing
3. To study the impact of adopting digital marketing on business performance.
4. To identify the digital marketing tool which has impacted the business performance of small enterprises the most.
5. To estimate the satisfaction of the small enterprises in implementing digital marketing.

Hypothesis

Following hypotheses are proposed for the research study:

- There is no significant difference between the demographic characteristics of the respondents and adoption of digital marketing.
- There is no significant differences between attitude towards digital marketing and demographic characteristics.
- There is no significant difference on the impact of the digital marketing on the business performance of small enterprises.
- There is no significant differences of small enterprises adopting digital marketing and not adopting digital marketing.

The researcher will add further hypothesis as the work progresses.

Relevance of Projected Findings

The reach of digital marketing is expanding dramatically all the time. Internet is steadily taking over the entire planet. The majority of individuals now spend their time on the internet or working over the internet, which has caused a change in the lifestyle of every individual. The current study has broad implications for business organisations in various industries as it is proposed to be conducted to determine various effects of digital marketing on small businesses as well as how consumers perceive it. This will assist in resolving various research problems in the future and aid in decision-making for both small enterprises and customers. This study will highlight various aspects of digital marketing that have an impact on businesses favourably or unfavourably so that firms may decide whether to employ digital marketing or not. The difficulties that organisations have in implementing digital marketing strategies will also be shown by this study. The study's findings and outcomes will help companies who are already using or planning to use digital marketing understand the function, reach, and potential future effects of this strategy on their industry.

Research Methodology

The appropriateness of the methodologies chosen for a research project is a key factor in determining the project's overall quality. As a result, the research would be descriptive in nature, allowing for the dissection of the problem into its component parts. The hypotheses are put to the test, and the relationship between them is explored, using a number of different statistical techniques.

Source of Data

Primary data will be collected from the Small Enterprises in Andhra Pradesh and Telangana States on the implementation of digital marketing in their firms.

Sampling Method

As the literacy levels of the owners' may be modest or low, the researcher has to follow the interview method for collection of data. The sampling method to be used is Non-probabilistic judgement and convenient sampling. This type of sampling is relatively common in social institutions' settings. A structural questionnaire will be developed for the collection of data covering all the objectives of the study. The owners/managers of the small businesses will be respondents.

Data & Statistical Techniques for Analysis

Questionnaire/Instrument for Data Collection: For the purpose of gathering data, a systematic questionnaire will be created, ideally with a Likert scale of 1 to 5.

Respondents: The planned study will be carried out at the level of the company. The study will only focus on small businesses in the states of Andhra Pradesh and Telangana. The goal is to research how digital marketing affects how well businesses perform. Therefore, it is crucial that the researcher communicate with the business's owner or manager. Therefore, the responders will be small business owners or the direct manager(s) of the company.

Analytical Tools & Framework for Analysis: Data will be examined for normalcy through analysis. Non-parametric tests will be used on the data in the event that it is not normal. The SPSS Statistical Package and SPSS AMOS module for Structured Equation Modeling will be used to apply the statistical tools of t-test, Factor analysis, Chi-square testing, correlation analysis, etc.

Structural Equation Modelling (SEM): Structural Equation Modelling (SEM) will be applied in order to precisely pinpoint the causal link between the entrepreneurial orientation and the firm's success. We'll employ confirmatory factory analysis.

Time frames for Completion

Presentation of Proposal	- November 2022
Developing the Questionnaire	- Dec – Feb 2023
Literature Review	- Nov – May 2023 (Continues from Nov 2022)
Data Collection	- June – Sept 2023
Data Analysis	- Oct – Jan 2024
Thesis writing	- Feb – August 2024
Submission	- September 2024

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